

The complaint

Mr M is unhappy with Santander UK Plc. Mr M found Santander had blocked access to his accounts and wouldn't tell him why. Santander wouldn't lift the block until Mr M went to a branch with proof of identification.

What happened

Mr M said he was vulnerable, had no access to other money and that it wasn't easy for him to get to a branch. Santander said it was following its standard process and the block was correctly applied. But when the block issue had been resolved it did accept this had caused distress and inconvenience to Mr M and offered him £75 compensation.

Mr M didn't accept this and brought his complaint to this service.

Our investigator upheld the complaint. Initially he felt Santander's offer of £75 was reasonable. But after Mr M came back and explained the difficulties he had without access to any of his accounts our investigator took on board Mr M's perspective and the impact on him. Our investigator relayed the difficulties Mr M suffered to Santander. It reviewed the complaint and agreed to increase its offer to £200 for the distress and inconvenience caused to Mr M. Our investigator said this was fair and reasonable. He didn't think Santander had made any errors and had reasonably applied the block.

Mr M didn't accept this and asked for his complaint to be passed to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've read and considered everything, but I will only cover the main factors in this decision.

Mr M found out about the block on his account when a regular payment was declined on 8 May 2024. The next day he tried to make a purchase and was again declined. He then tried to log into his account and found that was blocked too. When Mr M contacted Santander, he was told he would need to visit a branch and have identification with him and proof of address.

Mr M said the Santander staff tried to talk him out of making a complaint. And as his car was out of action a friend took him to the nearest branch. Mr M provided the paperwork and as the block couldn't be lifted immediately, he felt he was being discriminated against. He was told to ring the next day. Mr M said he was vulnerable but wasn't offered any emergency funding.

Mr M spoke to several staff over the next couple of days (the weekend), but he still didn't get access to his money. It wasn't until Monday 13 May 2024 Mr M had his account unblocked.

Despite the issues around making a complaint Mr M did persist and when Santander updated him it offered £50 and then a further £25. Mr M felt offended and declined both offers. Mr M said he wasn't given an explanation and felt he wasn't listened to.

Mr M had to borrow money which he said was demeaning and humiliating.

Santander apologised for Mr M having to contact it and for the inconvenience it caused. But it confirmed no error had been made when the block was placed on the account. Santander said it acted in line with legal and regulatory obligations. It said that sometimes meant it can't provide customers with an explanation.

Santander confirmed it has a duty of care to restrict an account and ask for further documentation to support certain applications.

After our investigator discussed this a little further with Santander it reviewed the complaint and accepted there had been more impact on Mr M. It said it could have made sure he did have access to funds and that option wasn't offered to Mr M. Because of this Santander increased its compensation offer to £200.

I take the point about legal and regulatory requirements. Santander does have a duty of care to protect customers, their money, and the bank from fraud. Santander highlighted this is noted under the account terms and conditions.

I accept Santander's point that the block on the account wasn't a mistake.

But it's clear that it didn't get to grips with keeping Mr M up to date in this situation. Mr M had to make all the calls and had to go out of his way to get to the branch. And Mr M's point is that the issue for him was more about the consequences for him once the block was applied.

I can totally understand how upset and concerned Mr M was with no access to any of his three Santander accounts. He felt helpless and vulnerable, and he didn't feel that Santander gave that any consideration.

Santander now accept that it should have done more to support Mr M in relation to access to funds. This was a point Mr M made throughout his calls and interactions with Santander.

I think the later, higher offer of £200 compensation is fair and reasonable. Santander didn't offer Mr M enough support, and this had an impact on him over the days the block was in place, and he was trying to sort it out. I don't think Santander discriminated against him. I think it followed its usual approach.

The account block wasn't a mistake, and it gave Santander a chance to check and update the security on Mr M's accounts. Santander was right to increase the offer. But I'm not going to ask it to raise this any further. I think £200 is the right amount for these circumstances, for the impact on Mr M, and the amount of time involved.

My final decision

I uphold this complaint.

I require Santander UK Plc to:

- Pay Mr M the £200 it has now offered as compensation for his distress and inconvenience – if it hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 February 2025.

John Quinlan
Ombudsman